REMARKS

Reconsideration of the application is requested in view of the above amendments and the following remarks. Claim 37 has been canceled. Claim 36 has been amended to include the allowable subject matter of canceled claim 37. Claim 21 has been amended to include a continuously variable transmission. The amendments to claim 21 are supported by at least claim 39. Claims 1-7, 12-20, 28-31, 33, 34, 39 and 42-49 are allowed. Claims 1-7, 12-26, 28-31, 33, 34, 36, 38, 39 and 42-49 are pending in the application.

Drawing Objection

Figure 8 has been amended to include reference number 145, as suggested by the Examiner.

§ 103 Rejections

Claims 21-26 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Bombardier, U.S. 3698,497 in view of Showalter, U.S. 5,833,566. Applicants respectfully traverse this rejection.

Bombardier discloses a snowmobile with a continuously variable transmission assembly, but fails to disclose or suggest a planetary gear system for use with a snowmobile. Showalter discloses a speed reduction assembly with full disconnect for an automobile transfer case. The speed reduction assembly includes a double disconnect mechanism that provides full decoupling of the speed reduction assembly from the power path when certain gear ratios are selected. Showalter discloses a sun gear 92 coupled to an input shaft 62, a plurality of planet gears 96 driven by sun gear 92, and output gears 192, 194. The output gears 192, 194 are configured to be connected to output shafts for the speed reduction assembly. The output gears 192, 194 are not coaxial with the input shaft 62. There are no other shafts disclosed by Showalter that are coaxial with the input shaft 62. Thus, Showalter fails to disclose or suggest "an first shaft positioned between said engine drive shaft and said sun gear, and a second shaft positioned between said planetary gears and said endless track shaft, said first and second shafts being arranged coaxially," as required by claim 21. Therefore, Showalter and Bombardier fail to disclose or suggest every limitation of claim 21 and the claims that depend from it.

Further, Bombardier and Showalter fail to disclose or suggest the combination of a continuously variable transmission and a continuously variable transmission for use in connecting a snowmobile engine drive shaft to an endless track shaft as required by claim 21. There is no disclosure or suggestion by either Showalter or Bombardier concerning application of a planetary gear system to a snowmobile, or that there is a need in a snowmobile for the benefits provided by a planetary gear system in combination with a continuously variable transmission. Therefore, Applicants submit that Bombardier and Showalter fail to disclose or suggest every limitation of claims 21-26 for this additional reason.

Claim 36 was rejected under 35 U.S.C. § 103(a) as unpatentable over Bombardier in view of Avramidis, U.S. 3,884,097. Applicants respectfully traverse this rejection. Claim 36 has been amended to include the allowable subject matter of canceled claim 37 and is now in condition for allowance. Applicants do not concede the correctness of this rejection.

In view of the above, Applicants request reconsideration of the application in form of a Notice of Allowance. If a phone conference would be helpful in resolving any issues related to this matter, please contact Applicants' attorney below at 612.371.5387.

Respectfully submitted,

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Date <u>August 19, 2004</u>

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JNR:ae